

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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TO: School Superintendents

FROM: Budget Division, Department of Local Government Finance

SUBJECT: Excessive Levy Appeals

DATE: September 2008

NOTE: Excessive levy appeal requests must be filed before November 20, 2008.

There are five types of excessive levy appeals that a school corporation may request to the Department of Local Government Finance ("Department"):

- Operating Cost of a New Facility (IC 20-43-11.5)
- Emergency Financial Relief (IC 20-45-6-2)
- Property Tax Levy Shortfall (IC 20-45-6-5)
- Referendum Levy (IC 20-46-1-6)
- Transportation Operational Increase (IC 20-46-4-10)

A School Corporation may appeal to the Department for approval of an excessive levy appeal **BEFORE November 20**. The appeal petition should be made by resolution of the School Corporation's governing body along with a detailed statement of facts. A suggested outline of the appeal petition is attached.

APPEAL PROCEDURES:

- 1) The School Corporation advertises a budget and levy for the ensuing year. A public hearing is held pursuant to IC 6-1.1-17-3. The advertised budget and levy should include the school's excessive levy amount.
- 2) The School Corporation must advertise the total amount of excessive levy appeal within the estimated budget levy and on the excessive levy appeal line on budget form 3. **The appeal amount must be advertised on both the excessive levy appeal line and included in the estimated general fund or transportation fund levy. Failure to include the appeal levy in both places may result in denial of the appeal request.**
- 3) The School Corporation adopts the proposed or modified budget, rate and levy for the ensuing year on or before December 1, as required by IC 6-1.1-17-5.

- 4) The governing body shall adopt an appeal resolution on the adoption date, after adopting the budget, rate and levy, before December 1. **Appeal petitions are sent to the Department of Local Government Finance office in Indianapolis.**
- 5) Copies of the annual budgets are forwarded to the County Auditor, as provided by IC 6-1.1-17-5. The budget is reviewed by the County Board of Tax Adjustment. The tax adjustment board, or in the absence of such the county auditor, may not approve an excess levy. For this reason, appeals to the Department for excessive levies are also considered appeals against the action of the tax adjustment board.
- 6) Department's Hearing Officers conduct annual budget hearings. The Hearing Officer will consider the appeal in the budget, rate and levy recommended for approval.
- 7) Following receipt of the School Corporation's appeal petition by the Department in Indianapolis, the matter will be referred to the School Property Tax Control Board (SPTCB) in accordance with IC 6-1.1-19. The School Corporation will be notified of the time and the place of their hearing. School officials may be asked to supply information the Control Board feels pertinent to the appeal. Following the SPTCB Hearing, a recommendation on the excessive levy appeal request will be forwarded to the Department.
- 8) The Department will consider the SPTCB recommendation along with other pertinent information and make a final decision. The School Corporation will be notified of the Department's final action on the excess levy request.
- 9) The Department will not consider excessive levy appeals that are in excess of three years old. A school asking for consideration of an appeal will be held to this timetable.

NOTE: If your School Corporation has not been notified by December 15 of an excessive levy appeal hearing date, immediately contact the Budget Division.

Officials must file the following information regarding an excessive levy appeal.

- 1) Proofs of publication for the ensuing budget year;
- 2) School board resolution to adopt an excessive levy appeal;
- 3) Completed excessive levy appeal application;
- 4) A petition requesting consideration of an excessive levy appeal; and
- 5) Any other information related to the excessive levy appeal request.

NEW FACILITY APPEAL

IC 20-43-11.5

A school corporation may appeal for an increase of its tuition support distribution (State Support/Basic Grant) due to the opening and operation of a new facility or an existing facility that has not been used for at least three (3) years and that is being reopened to provide additional classroom space. The SPTCB will consider the increased cost in complying with safety, health, space, heat or lighting standards and other physical operating cost which justify an increase in the corporation's tuition support distribution. Increased costs due to certified staff, transportation, or curriculum will not be considered. A completed information sheet will be requested of all school corporations requesting this type of appeal. A copy of the current information sheet is attached.

The School Corporation is required to notify taxpayers of any projected new facility appeals as part of the process of incurring debt for a capital project. This is to alleviate any concerns about hidden costs associated with new construction projects and to provide taxpayers with a more realistic estimate of costs.

Additional costs associated with a new facility appeal should be broken down as requested on the attached worksheet.

A new facility adjustment is in addition to the amount of the state tuition support distribution to which the school corporation is entitled under this article.

The new facility appeal does **not** have to be advertised on Form 3 – Notice to Taxpayers since it is not an increase to a levy. If the School Corporation intends to spend the revenue from the new facility appeal, it needs to be included in the Budget Estimate in the General Fund.

Information sheets are attached for use in requesting a new facility appeal.

APPEALS FOR EMERGENCY FINANCIAL RELIEF

IC 20-45-6-2 (Effective until 01/01/2009)

A school corporation, that resolves it cannot carry out its educational duty committed to it by law, may appeal for emergency financial relief. The budget, rate and levy adopted by the School Corporation should accommodate the anticipated needs for the ensuing year. The appeal resolution should contain a detailed statement of facts and be sent to the Department in Indianapolis.

The Department will refer the petition to the SPTCB. Additional information may be requested from the School Corporation to support its contentions. The control board will review the information and conduct a hearing. If it concludes that Emergency Financial Relief is needed, a recommendation will be made to approve one or more of the following forms of relief:

- 1) a grant or grants from any funds of the state that are available for such purpose;
- 2) a loan or loans from any funds of the state that are available for such purpose;

- 3) permission of the appellant school corporation to borrow funds from a source other than the state or assistance in obtaining the loan;
- 4) an advance or advances of funds that will become payable to the appellant school corporation under any law providing for the payment of state funds to school corporations;
- 5) permission of the school corporation to:
 - a) cancel any unpaid obligation of the appellant school corporation's general fund to the appellant school corporation's cumulative building fund; or
 - b) use for general fund purposes, any unobligated balance in the appellant school corporation's cumulative building fund and the proceeds of any levy made or to be made by the appellant school corporation for the appellant school corporation's capital projects fund;
- 6) permission to use, for general fund purposes, any unobligated balance in any construction fund, including any unobligated proceeds of a sale of the school corporation's general obligation bonds;
or
- 7) a combination of the emergency financial relief described in (1) through (6).

The control board may also recommend an excessive tax levy for the following year. However, the excess tax levy would require a *referendum* be conducted in accordance with the law. For referendum purposes, the School Corporation must provide the SPTCB and DLGF Commissioner the maximum tax rate requested of taxpayers.

If the relief approved is a loan, the Department may authorize the School Corporation to collect an excess levy for repayment of the loan. This excessive levy may not be collected for more than one in every four calendar years. *See* IC 20-45-6-3. Emergency Financial Relief does not result in a permanent increase in the corporation's adjusted base levy.

Along with the relief granted, the School Corporation must obtain approval from the SPTCB and the Department before taking the following actions:

- Acquisition of real estate, construction of new buildings, and renovation and remodeling of existing buildings.
- Making any lease of real or personal property, or other contractual obligation exceeding \$10,000. Employment contracts for new employees superseding the contract of an existing employee are exempt from this restriction.
- Purchase of personal property in consideration of more than \$10,000.
- The advertisement or adoption of a budget, rate or levy.

Information sheets are attached for use in requesting an appeal for emergency financial relief.

SCHOOL SHORTFALL APPEAL

IC 20-45-6-5 (Effective until 01/01/2009), HEA 1001 (P.L. 146-2008), § 862 (Effective until 01/01/2010)

A school corporation may appeal for the purpose of making up a property tax shortfall that resulted when erroneous assessed values were used to determine the corporation's tax rate, and the error was discovered after the Department approved the tax rates. When delinquencies in property tax payments occur, shortfall appeals are not applicable.

As previously noted, the School Corporation would advertise and adopt a levy that includes the increase to make up the shortfall. The appeal petition should describe the facts relating to the shortfall, if known. In extreme circumstances, the School Corporation may also request emergency financial relief for the current year due to the loss of shortfall income. The petition will be referred to the SPTCB, who may require additional information from the School Corporation for its recommendation.

Normally, a school corporation discovers the existence of a levy shortfall in late December and is unable to appeal until the following year. In this case, the documents would be readily available. They should include information from the County Auditor about the actual assessed value, certificates of errors issued, refunds made and copies of Form 22, Auditor's Certificate of June and December Tax Distribution. If the School Corporation has been informed of a current year shortfall, the issue cannot be determined until the tax distribution is made in late December. The Department will attempt to accommodate special circumstances regarding current year shortfalls whenever possible, but only when the appeal is necessitated by the school's financial position.

The levy increase to recover a shortfall is not a permanent increase to the School Corporation's adjusted base levy. If a levy increase is recommended by the SPTCB, and approved by the Department, then the annual budget order will contain the levy increase. The School Corporation will be notified by mail if the appeal is denied.

Schools may file a shortfall appeal through December 31st for ensuing year budget. Schools are held to the advertisement and adoption process for a current year shortfall.

An information sheet is attached for requesting a property tax shortfall appeal.

REFERENDUM LEVY

IC 20-46-1-6

A school corporation may petition the Department for permission to conduct a referendum to increase its adjusted base levy. The appeal petition should state whether the proposed referendum would be used to fund new programs or existing financing, and the amount of the increase to the adjusted base levy requested. A referendum is an increased levy raised through a special fund titled, "referendum fund" for a period not to exceed seven (7) years. However, a referendum tax levy may be reimposed or extended under the law.

IC 20-46-1-8, and -9, effective on July 1, 2008, allows a school board to adopt a resolution to place a referendum on the ballot for either of the following purposes:

- The school board determines that it cannot, in a calendar year, carry out its public educational duty unless it imposes a referendum tax levy.
- The school board determines that a referendum tax levy should be imposed to replace property tax revenue that the school corporation will not receive because of the application of the circuit breaker credit under IC 6-1.1-20.6.

A referendum tax levy may be put into effect only if a majority of the individuals who vote in a referendum approves the school corporation's making a levy for the following calendar year.

The petition will be forwarded to the SPTCB who will inform the School Corporation of a date and time for a hearing on the issue. If the Department approves the referendum, the Administrative Officer of the SPTCB will certify the question to the County Clerk for submission to the voters in the school district. The County Clerk will call a meeting of the county election board to make the arrangements for the referendum after receiving the question.

The referendum shall be held in the next primary or general election if one is to be held no more than six (6) months after the question is so certified to the County Clerk. If a primary or general election is not to be held within six (6) months after receiving the certified question, a special election shall be held not less than ninety (90) days after the question is certified. The School Corporation may request a date for the special election to be held, and if practicable, the election will be held on that date. If the referendum cannot be held in a primary or general election, the School Corporation will pay the cost of the election. If the majority of voters in a referendum to allow the school corporation to impose a referendum tax levy do not vote to approve the levy, another referendum may not be held for a period of one year.

Pursuant to IC 20-46-1, a school corporation may impose a referendum tax levy in an amount allowed under IC 20-46-1-6 for the school corporation. *Property tax collections from the implementation of the referendum fund tax levy will be deposited in the referendum fund and used for any lawful school expenses consistent with the wording of the referendum question.* The referendum fund is not eligible for property tax replacement credits.

School corporations pursuing a referendum appeal must provide the School Property Tax Control Board and Commissioner of the Department with the maximum tax rate under consideration by taxpayers. If the referendum is successful, school corporations will be held to the lesser of the maximum tax rate or maximum tax levy advertised or adopted for referendum purposes.

TRANSPORTATION OPER. INCREASE OF AT LEAST TEN PERCENT

IC 20-46-4-10

A school corporation may appeal to the Department to increase the maximum operating costs levy that is permitted for the school corporation's operating costs account for the transportation fund under IC 20-40-6.

IC 20-46-4-10 allows a school corporation to appeal to the Department to increase the maximum operating costs levy that is permitted for the school corporation's operating costs account for its transportation fund established under IC 20-40-6. To be granted an increase by the Department, the school corporation must establish that the increase is necessary because of a transportation operating increase of at least ten percent (10%) over the preceding year as the result of at least one (1) of the following:

- A fuel expense increase.
- A significant increase in the number of students enrolled in the School Corporation that need transportation or a significant increase in the mileage traveled by the school corporation's buses compared to the previous year.
- A significant increase in the number of students enrolled in special education that need transportation or a significant increase in the mileage traveled by the school corporation's buses due to students enrolled in special education as compared to the previous year.
- Increased transportation operating costs due to compliance with a court ordered desegregation plan addition. Before the Department may grant a maximum operating costs account levy, the school corporation must establish that the school corporation will be unable to provide transportation services without an increase. The Department may grant a maximum operating costs levy increase that is less than the increase requested by the School Corporation.
- The closure of a school building within the School Corporation resulting in a significant increase in the distances students must be transported to attend another school building.

If the Department determines a permanent increase in the maximum permissible operating levy is necessary, the maximum operating levy after the increase granted becomes the school corporation's maximum permissible transportation fund's operating levy under IC 20-46-4-6.

The Department cannot approve a levy increase resulting from a transportation operating increase that would authorize the school corporation to collect a levy in excess of that initially advertised and adopted by the appellant school corporation. The levy increase from this type of appeal is a permanent increase to the corporation's Transportation Maximum Levy limit.

Information sheets are attached for use in requesting a transportation appeal.

This is the formula the Department uses to review transportation operating appeals.

$$\frac{2009 \text{ budget}}{2008 \text{ budget}} = \% \text{ increase in budget}$$

% increase in budget minus maximum levy growth factor multiplied by 2009 transportation maximum levy = Levy Increase Allowed

For example:

2009 budget = \$6,151,600

2008 budget = \$5,064,791

Maximum levy growth factor = 1.04

2009 Transportation maximum levy - \$3,556,115

$\$6,151,600 / \$5,064,791 = 1.2146 - 1.04 = 1.1746$. $.1746 \times \$3,556,115$ is approximately \$620,898 (rounded)

MATHEMATICAL ERRORS

IC 20-45-6-5

In addition to the appeals previously mentioned, the SPTCB may recommend to the Department for the correction of the data errors which affect the adjusted base levy, excessive tax levy, and maximum normal levy of a school corporation.

The Department may correct mathematical errors in data for any school corporation.

PETITION TO APPEAL

The School Board of the _____ School Corporation,
_____ County, State of Indiana, has determined to file for an excess levy appeal.

(Please check the appropriate excessive levy appeal(s) and provide the amount(s) the School Corporation is requesting:

Transportation appeal: _____ Amount requested: _____

To increase the Transportation Maximum Levy Limit due to operating increases in excess of ten percent (10%) pursuant to IC 20-46-4-10.

New Facility appeal: _____ Amount requested: _____

To increase the adjusted base levy to operate _____,
which is a new facility, pursuant to IC 20-3-11.5.

Shortfall appeal: _____ Amount requested: _____

To recover a levy shortfall, pursuant to IC 20-45-6-5.

Emergency Financial Relief appeal: _____ Amount requested: _____

The school cannot carry out its educational duty committed to it by law without granting of relief, pursuant to IC 20-46-1-6.

Referendum appeal: _____ Rate requested: _____

To increase its maximum permissible levy through a referendum pursuant to IC 20-46-1-6 for a period up to seven years.

The governing body of said school corporation hereby resolved to proceed with a petition for an Excess Levy/Emergency Financial Relief to the Department of Local Government Finance.

Adopted this _____ day of _____, 20____.

FOR

AGAINST

ATTEST: _____

TRANSPORTATION OPERATING FUND APPEAL IC 20-46-4-10

School Corporation Name: _____

County: _____

Amount requested \$ _____ **Tax rate impact \$** _____

Did the School District Board advertise/adopt a levy and tax rate high enough to allow an excessive levy appeal? Y _____ **N** _____

(Please provide proof(s) of publication with appeal documentation)

The need for a levy increase is due to:

1. FUEL INCREASE:

2008 gallons _____ x Per gallon price _____ = _____
2009 gallons _____ x Per gallon price _____ = _____
Increase _____

2) SIGNIFICANT CHANGE IN NUMBER OF STUDENTS TRANSPORTED OR MILES TRAVELED:

2008 Students transported _____ 2008 Miles traveled _____
2009 Students transported (Est.) _____ 2009 Est. miles traveled _____
Difference _____ Difference _____

3) SIGNIFICANT CHANGE IN NUMBER OF SPECIAL EDUCATION STUDENTS TRANSPORTED OR MILES TRAVELED BY BUSES TRANSPORTING SPECIAL EDUCATION STUDENTS:

2008 Special Education Students Transported _____
2009 Special Education Students Transported (Est.) _____
Difference _____

2008 Special Education Miles Transported _____
2009 Special Education Miles Transported (Est.) _____
Difference _____

4) CHANGE IN TRANSPORTATION OPERATING COSTS DUE TO COURT ORDERED DESEGREGATION PLAN:

2008 Transportation Desegregation Expense _____
2009 Transportation Desegregation Expense (Est.) _____
Difference _____

5) CLOSURE OF A BUILDING WITHIN THE SCHOOL CORPORATION THAT RESULTS IN A SIGNIFICANT INCREASE IN THE DISTANCES STUDENTS MUST BE TRANSPORTED TO ANOTHER SCHOOL BUILDING

2008 Miles traveled _____ Date of closure: _____
 2009 Miles traveled (Est.) _____
 Building that closed: _____

Please complete the following sections to provide more detail on the transportation appeal:

Has the school corp. added any new transportation positions during the last three years?
 Y N

If yes, please provide a list of positions and costs.

Position	Year Added	Salary	Benefits	Total Costs
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Assessed valuation growth during the last five years:

Year	Assessed valuation	Percentage inc/dec from previous year
2004 p 2005	_____	_____
2005 p 2006	_____	_____
2006 p 2007	_____	_____
2007 p 2008	_____	_____
2008 p 2009 (projected)	_____	_____

Student Count - ADM

Year _____	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Year _____	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Year _____	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
------------	----------	-------------	----------	--------------

A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Year _____

	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Year _____

	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Comments:

Appeal Formula: Historically, the Department of Local Government Finance used the following formula in its review of transportation operating appeals.

$$\frac{2009 \text{ budget}}{2008 \text{ budget}} = \% \text{ increase in budget}$$

% increase in budget minus maximum levy growth factor multiplied by 2009 transportation maximum levy = Levy Increase Allowed

Example:

2009 budget = \$6,151,600

2008 budget = \$5,064,791

Maximum levy growth factor = 1.04

2009 Transportation maximum levy - \$3,556,115

$\$6,151,600 / \$5,064,791 = 1.2146 - 1.04 = 1.1746$. $.1746 \times \$3,556,115$ is approximately \$620,898 (rounded)

School Calculation:

A. 2009 budget = \$ _____

B. 2008 budget = \$ _____

C. Maximum levy growth factor = _____

D. 2009 Transportation maximum levy = \$ _____

Line A / Line B = factor

Factor - (1.0 + Line C) = eligible appeal factor

Eligible appeal factor * Line D = Eligible increase in maximum levy increase

ACCOUNTS TO BE CONSIDERED FOR INCREASED LEVY						
Account Name and Number to be Considered for a Transportation Appeal	*Column 1 2005 Actual Expenditures	*Column 2 2006 Actual Expenditures	*Column 3 2007 Actual Expenditures	Column 4 2008 Certified Appropriations	Column 5 2009 Projected Expenditures	Column 6 2009 Estimated Budget
Vehicle Operations						
Monitoring Services						
Vehicle Service Maintenance						
Bus Insurance						
Insurance on Pupils						
Contracted Pupil Transp. Service						
Other Pupil Transp. Service						
Bus Driver Training						
PERF						
Social Security						
Workmen's Comp.						
Group Insurance						
Unemployment Comp.						
Teachers Retirement Fund						
Severance/Early Retirement Pay						
Other						
Other						
Other						
Total Operating Expenses						

Amount of change from previous year: Col. 6 minus Col. 4 divided by Col. 4 = _____ % change

Percentage change must be a minimum of ten percent (10%) to have consideration of an appeal.

***If totals do not agree with your Calendar Financial Report submitted to DOE, please provide a detailed explanation.**

NEW FACILITY APPEAL IC 20-43-11.5

School Corporation: _____

County: _____

Please complete the requested information on both sheets regarding a request for a revenue increase.

1. The need for an increase is due to:
_____ Opening a new facility
_____ Additions to an existing facility
_____ Major remodeling of an existing facility (closed for 3 years)
2. Total amount of appeal request: _____
Individual facility breakdowns will follow.
3. As required, were taxpayers informed of this appeal before construction of the addition, remodeling or new facility? Yes _____ No _____

Facility information: If there is more than one facility, list in order of date of occupancy

Name of the facility: _____

Date of Occupancy _____ Addition _____
New facility _____
Facility closed; now reopened _____

Square feet of new facility _____
Square feet of building demolished _____
Square feet of building abandoned _____
Net square footage increase _____

Total square ft. of buildings in operation before new facility was occupied: (include non-student buildings)

Year _____ # of Buildings _____ Total square
feet _____

Total square footage of buildings in operation after this facility was occupied: (include non-student buildings)

Year_____ # of Buildings_____ Total square
feet_____

How is the building heated? Gas_____ Fuel Oil_____ Electric_____
Other_____

Type of heating system:

Current unit cost of utilities:	2008	2009
Gas per cubic ft.	_____	_____
Fuel Oil 1-gallon	_____	_____
Electricity: per kilowatt hour	_____	_____
Other_____	_____	_____

Annual operating cost increase for this facility \$_____

Number of months for increased costs: _____

Revenue increase for this facility \$_____

Name of the facility:_____

Date of Occupancy _____	Addition _____
	New facility _____
	Facility closed; now reopened _____

Square feet of new facility _____
Square feet of building demolished _____
Square feet of building abandoned _____
Net square footage increase _____

Total square ft. of buildings in operation before new facility was occupied: (include non-student buildings)

Year_____ # of Buildings_____ Total square
feet_____

Total square footage of buildings in operation after this facility was occupied: (include non-student buildings)

Year_____ # of Buildings_____ Total square
feet_____

How is the building heated? Gas _____ Fuel Oil _____ Electric _____
Other _____

Type of heating system:

Current unit cost of utilities:	2008	2009
Gas per cubic ft.	_____	_____
Fuel Oil 1-gallon	_____	_____
Electricity: per kilowatt hour	_____	_____
Other _____	_____	_____

Annual operating cost increase for this facility \$ _____

Number of months for increased costs: _____

Revenue increase for this facility \$ _____

Name of the facility: _____

Date of Occupancy _____	Addition	_____
	New facility	_____
	Facility closed; now reopened	_____

Square feet of new facility	_____
Square feet of building demolished	_____
Square feet of building abandoned	_____
Net square footage increase	_____

Total square ft. of buildings in operation before new facility was occupied: (include non-student buildings)

Year _____	# of Buildings _____	Total square feet _____
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Total square footage of buildings in operation after this facility was occupied: (include non-student buildings)

Year _____	# of Buildings _____	Total square feet _____
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How is the building heated? Gas _____ Fuel Oil _____ Electric _____
Other _____

Type of heating system:

Current unit cost of utilities:	2008	2009
---------------------------------	------	------

Gas per cubic ft.	_____	_____
Fuel Oil 1-gallon	_____	_____
Electricity: per kilowatt hour	_____	_____
Other _____	_____	_____

Annual operating cost increase for this facility \$_____

Number of months for increased costs: _____

Revenue increase for this facility \$_____

COMPLETE INDIVIDUAL PAGE FOR EACH NEW FACILITY**USE THE FOLLOWING INSTRUCTIONS TO COMPLETE THIS PAGE:**

Columns 1 and 2: Use current and proposed information to complete these columns

Column 3: Compute the difference between Columns 1 and 2.

Column 4: Indicate only costs directly related to the facility. Identify any estimates and show how you arrived at the estimate on a separate sheet if needed.

For example: Added 1 janitor @ \$17,000 year 1 part-time janitor @ 15hrs./wk. @ \$8.00 per hour.

Facility: _____ Net square ft. _____

<u>ACCOUNTS TO BE CONSIDERED FOR INCREASED LEVY</u>				
	Column 1	Column 2	Column 3	Column 4
	CURRENT YEAR FACILITIES OPERATING COST FOR YEAR OF OCCUPANCY (WITHOUT NEW FACILITY) 2_____	FACILITIES OPERATING COST FOR FIRST FULL YEAR OF OCCUPANCY 2_____	DIFFERENCE BETWEEN COLUMN 1 AND COLUMN 2	INCREASED OPER. COSTS DIRECTLY RELATED TO THIS NEW FACILITY
Operation and maintenance of plant services (except 26100)	_____	_____	_____	_____
Salaries	_____	_____	_____	_____
Property Services	_____	_____	_____	_____
Utility Services	_____	_____	_____	_____
Supplies and Materials	_____	_____	_____	_____
Equipment	_____	_____	_____	_____
Vehicles	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____
PERF Employee Benefits	_____	_____	_____	_____
SOCIAL SECURITY Employee Benefits	_____	_____	_____	_____
WORKMAN'S COMPENSATION Employee Benefits	_____	_____	_____	_____
GROUP INSURANCE Employee Benefits	_____	_____	_____	_____
UNEMPLOYMENT COMPENSATION Employee Benefits	_____	_____	_____	_____
TOTAL:	_____	_____	_____	_____
GRAND TOTAL:	_____	_____	_____	_____

**PROPERTY TAX SHORTFALL
DUE TO ERRONEOUS ASSESSED VALUATION IC 20-45-6-5**

(Appeal is only applicable to the general and transportation operating funds)

School Corporation: _____

County: _____

School corporations may file for a shortfall appeal until December 31st of the current year.

1. State the taxing year(s) for which this appeal is to be considered and the amount to be considered for each year.

Year _____	Amount _____
Year _____	Amount _____
Year _____	Amount _____

2. The following information is required to be attached to this document for appeal consideration:

- (a) County Form 127CER (Register of Certificates of Error) for the year(s) in which the shortfall occurred for each taxing district of which the unit is a taxing entity.
- (b) County Form 17TC (Certificate of County Auditor of Tax Refund Claims) for each taxing district of which the unit is a taxing entity. Refunds must clearly indicate the assessment year for which the refund is claimed.
- (c) County Form 22 (County Auditor's Certificate of Tax Distribution) for each year the unit is claiming a property tax shortfall.

3. In the past three (3) years, has the unit experienced a Levy Excess? [] Yes [] No
(If yes, state the taxing year and amount)

4. Complete the following for each year you are appealing a shortfall.

Shortfall Calculation: Year _____

General Fund:

Certified Property Tax Levy less Charter School Levy _____

June Property Tax Distribution _____

+ December Property Tax Distribution _____

= Total Property Tax Distribution _____

Certified Levy minus Distribution equals shortfall _____

Transportation Fund:

Certified Property Tax Levy _____

June Property Tax Distribution _____

+ December Property Tax Distribution _____

= Total Property Tax Distribution _____

Certified Levy minus Distribution equals shortfall _____

EMERGENCY FINANCIAL RELIEF (IC 20-45-6-2)
REFERENDUM IC 20-46-1-6

SCHOOL CORPORATION: _____
COUNTY: _____

Please supply the following information to expedite review of your petition for Emergency Financial Relief. Information for the current year is shown in the left column; information for next year is shown in the right columns.

SECTION I FINANCIAL STATEMENT

GENERAL FUND	ACTUAL Year 20_____	ESTIMATE Year 20_____
1. Property Tax levy	_____	_____
2. Levy excess	_____	_____
3. PTRC from CAGIT	_____	_____
4. Miscellaneous Revenue:		
Excise, CVET and FIT	_____	_____
Revenue from St. of IN	_____	_____
Tuition Support Grant	_____	_____
Special & Voc. Educ. Grants	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Federal Aid	_____	_____
Lake & Dearborn Supp. Co. Tax	_____	_____
Other misc. revenue	_____	_____
TOTAL MISC. REVENUES	_____	_____
(amount should match form 2 Col. B)		
5. January 1 cash balance	_____	_____
6. Total Revenue (line 1 through 5):	_____	_____
7. DLGF approved budget	_____	_____
8. Encumbered appropriations and/or		
Temp Loans outstanding Jan. 1, current year	_____	_____
9. Beginning appropriations (7+8)	_____	_____
10. Surplus funds (6-9)	_____	_____
11. Amount appropriated since Jan.		
less any reduction in appropriations.	_____	_____
12. Projected balance (deficit)	_____	_____

SECTION II CURRENT EXPENDITURE COMPARISON

For the last 5 full years, complete the following information about your General Fund current year revenues and expenditures.

<u>Year</u>	<u>Revenues</u>	<u>Expenditure</u>	<u>Surplus or Deficit</u>
2007	\$ _____	\$ _____	\$ _____
2006	\$ _____	\$ _____	\$ _____
2005	\$ _____	\$ _____	\$ _____
2004	\$ _____	\$ _____	\$ _____
2003	\$ _____	\$ _____	\$ _____

Note: Attach an explanation for any year in which your property tax settlements were not distributed in the normal cycle.

Additional information:

1. On a separate sheet of paper, list all school corporation employees whose salaries are wholly or partially paid from the General fund. List each employee by title or function, annual gross salary, and location employed. *Do not include social security information.*
2. Identify the type and number of all school corporation owned vehicles (other than school buses) and what they are used for. Identify any employees that are supplied vehicles, housing, etc., for their personal use, and the reason for this expenditure.
3. Has your school corporation purchased school buses from its General Fund during the last 5 years, other than using the proceeds of a school bus loan? () Yes () No If yes, indicate the date and cost.

4. Identify any parks or other facilities, excluding classroom buildings that the school corporation owns or operates and explain how use of that facility is directly related to the education of children. Indicate the annual operating expense for each location, what fees are charged, and your system of accounting for those fees.

5. Identify any stadiums or facilities with spectator seating, its seating capacity and present use.

6. What is your present number of attendance centers? _____. Has building consolidation been considered/implemented within the last 5 years? () Yes () No

Are you presently considering any closings? Please elaborate. Attach a copy of any needs assessment study recommending closing or building consolidations within the last 5 years.

7. What has been the school corporation's history of salary increases (negotiated and non-negotiated) for the last 5 years? Express in percentages, increments, etc., and its impact upon General Fund. Group your explanation into these classifications:

- A. Classified (non-certified)
- B. Certified
- C. Administrators not subject to collective bargaining

Attach a copy of your scattergram for teacher salary schedules.

Shows the number of teachers on each step of the salary schedule.

8. Describe your current employee health care package (both active and retired), its cost to the school corporation and each employee (co-pay and/or payroll deductions) and how this coverage has changed during the last 5 years. Also include what health insurance cost containment measures have you taken in the last 5 years.

9. Describe your school corporation's current early retirement and severance pay policies.

10. What proposed solutions can you offer to solve the school corporation's financial problems? Include both short-term and long-term proposals.

11. Have you considered a referendum to solve your funding needs? ☐ Yes ☐ No

Do you believe that the majority of voters in your school district would support funding your present financial/educational policies by voting in a referendum for an increase in property taxes? Cite evidence.

12. Have your accounting practices been the subject of exception in the most recent Board of Accounts audit? ☐ Yes ☐ No

If yes, attach a copy of the audit report and an explanation.

13. Do the superintendent and school board members receive monthly financial statements?

☐ Yes ☐ No If no, attach an explanation. If yes, attach the most recent report.

14. Does the school corporation pay its bills (vendors, obligations)?

- a. ☐ at the end of each month; or,
- b. ☐ within 30 days of the end of each month; or,
- c. ☐ within 60 days of the end of each month; or,
- d. ☐ more than 60 days after the end of each month.

15. Does the corporation own and operate its own school bus fleet: ☐ Yes ☐ No

If no, describe your contractual arrangements. Are you paying the fringe benefits for contracted drivers? () Yes () No If yes, indicate how much and what fund these costs are paid from.

16. Has the school corporation discussed or contracted for a management study of its operations for possible cost savings? () Yes () No. Attach a copy of any study within the last 5 years and its cost.

17. Has the County Board of Tax Adjustment or the Department of Local Government Finance reduced your adopted a General Fund budget within the last 5 years?
() Yes () No If yes, list the year's proposed budget and the certified budget.

18. List the amount, annual premium, and deductible of each current property insurance policy.

19. What insurance premium savings would you experience by establishing a Repair and Replacement Fund?

20. List any buildings that are owned by a school building (or holding) corporation, when you anticipate concluding the lease agreement, and their cash balance, as of last January 1st.

21. Do any of the building corporations have a sufficient balance to redeem any outstanding bonds? () Yes () No

22. Do you presently have a Construction Fund? () Yes () No If yes, indicate the cash balance: \$_____ Date: _____

23. Attach a copy of your most recent Form 9. A computer printout is acceptable.

24. What bonded or lease rental indebtedness has been incurred during the last 5 years? List by issue, term, and amount.

25. If Emergency Financial Relief is not granted, explain the steps that you would take to limit school corporation expenditures to revenues available.

26. At what point, in relation to your present taxing ability, do you believe that consideration for the tax burden to property owners exceeds the need for additional programs or signal the need for moderation?

27. Pursuant to IC 20-45-6-2(g), emergency financial relief can be granted in the form of:

1. a grant or grants from any funds of the state that are available for such purpose;
2. a loan or loans from any funds of the state that are available for such purpose;
3. permission of the appellant school corporation to borrow funds from a source other than the state or assistance in obtaining the loan;
4. an advance or advances of funds that will become payable to the appellant school corporation under any law providing for the payment of state funds to school corporations;
5. permission of the school corporation to:
 - a. cancel any unpaid obligation of the appellant school corporation's general fund to the appellant school corporation's capital projects fund; or
 - b. use for general fund purposes, any unobligated balance in the appellant school corporation's capital projects fund and the proceeds of any levy made or to be made by the appellant school corporation for the appellant school corporation's capital projects fund;
 - c. permission to use, for general fund purposes, any unobligated balance in any construction fund, including any unobligated proceeds of a sale of the school corporation's general obligation bonds; or
 - d. a combination of the emergency financial relief described in (1) through (6).

The control board may also recommend an excessive tax levy for the ensuing year. However, the excess tax levy requires a *referendum* be conducted in accordance with law.

What form of emergency financial relief is the school corporation seeking? Please explain.

28. For a referendum appeal, what is the specific tax rate and term requested for the appeal?

Amount: _____

Term: _____

***The school corporation will be held to the lesser of the advertised or adopted rate or levy for referendum purposes.**

Document prepared by:

_____ **Title:** _____ **Date:** _____